

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 DRC-01 PA-04 PRS-01

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3916

C O N F I D E N T I A L CARACAS 4603

E.O. 11652: GDS

TAGS: ETRD ENRG EMIN

SUBJECT: CONVERSATION WITH MINISTER OF STATE PEREZ GUERRERO:
ASSURANCES OF DESIRE TO REACH EQUITABLE AGREEMENTS WITH
U.S. INTERESTS IN VENEZUELA

1. I MADE A COURTESY CALL THIS MORNING ON DR. MANUEL PEREZ GUERRERO, SPECIAL ADVISER TO THE PRESIDENT FOR INTERNATIONAL ECONOMIC AFFAIRS. HE IS WELL KNOWN TO THE DEPARTMENT AND TO USUN BECAUSE OF HIS FIVE YEARS' PRESIDENCY OF UNCTAD.

2. THE MINISTER OF STATE SAID THAT RECENT MEASURES ANNOUNCED BY PRESIDENT PEREZ MEANT WHAT THEY SAID--BUT NOT EVERYTHING HAD INDEED BEEN SAID. THERE WAS AMPLE ROOM FOR NEGOTIATION AND HE WAS HOPEFUL THAT BY THE END OF THE PRESENT YEAR AGREEMENTS WOULD HAVE BEEN REACHED BETWEEN THE FOREIGN OIL AND IRON COMPANIES AND THE VENEZUELAN GOVERNMENT WHICH WOULD BE EQUITABLE TO BOTH SIDES.

3. PEREZ GUERRERO SAID THAT ABOVE ALL, VENEZUELA WAS CONSCIOUS OF ITS OBLIGATION TO REMAIN A SURE AND STEADY SOURCE OF SUPPLY OF STRATEGIC MATERIALS SUCH AS PETROLEUM AND IRON TO THE UNITES STATES. HE SAID QUITE FRANKLY WITH REGARD TO OIL,
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"IF WE DON'T SELL IT TO YOU, TO WHOM ELSE WOULD WE SELL IT?"

HOWEVER, WITH REGARD TO IRON, HE SAID IT WAS ONLY REASONABLE FOR VENEZUELA TO INCREASE ITS OWN STEEL INDUSTRY, USING ITS OWN IRON ORE.

4. I ASSURED THE MINISTER OF OUR DESIRE, WHICH I THOUGHT WAS REFLECTED ALSO BY THE AMERICAN COMPANIES INVOLVED, TO REACH EQUITABLE AGREEMENTS WHICH WOULD BE JUST BOTH TO VENEZUELA AND TO THE UNITED STATES. IN REPEATING HIS ASSURANCES OF HIS READINESS TO FOLLOW EXACTLY THAT POLICY, PEREZ GUERRERO ADDED QUIETLY, "I BELIEVE I CAN SPEAK ON SOME AUTHORITY IN THIS MATTER BECAUSE I SPEAK FOR THE PRESIDENT OF VENEZUELA."
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Message Attributes

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